Issue Department of the Bank of England securities to the value of," etc. It is the practice of the Bank to put Government securities into the Issue Department, but the terms of the Act do not compel them to do so, and if an excess issue were needed they would seem to be empowered to put any bills that they discounted into the assets held against the note issue. On the whole the terms of the Act leaving them freedom in the matter, except with regard to the " Government debt" of £11 millions, whidbris specially mentioned as to be transferred to the Issue Department, seem to be preferable to a special stipulation in favour of bills of exchange.

But the most important difference between Sir Edward Holden and the Cunliffe Committee seems to be in their attitude towards the gold reserve and the relation between the Bank of England and the rest of the items that compose the London money market. The Committee, working to restore the conditions which made our market the centre of the world's finance, endeavoured to give back the control of the central gold reserve to the Bank of England by suggesting, among other things, that the other banks shbuld hand over their gold to it. They omitted to discuss the serious question of the greater difficulty that the Bank is likely to find in future in controlling the price of money in the market, owing to the huge size that the chief clearing

banks have now reached. But a central gold reserve under central control was evidently the object at which they aimed. Sir Edward will have none of this. He says that if this were done the position of the